UNITED NATIONS **DP**

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1996/32
22 July 1996

ORIGINAL: ENGLISH

Third regular session 1996
9-13 September 1996, New York
Item 5 of the provisional agenda

UNDP: FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

UNITED NATIONS REGULAR AND EXTRABUDGETARY TECHNICAL COOPERATION EXPENDITURES

Report of the Administrator

Information on United Nations system regular and extrabudgetary technical cooperation expenditures financed from sources other than UNDP, 1995

I. PURPOSE

1. To facilitate the work of the Executive Board, the present report (in response to Governing Council decision 81/34 of 27 June 1981) contains a summary of: (a) non-UNDP financed technical cooperation expenditure undertaken by the agencies, including the United Nations Population Fund (UNFPA); (b) contributions to support the extrabudgetary expenditures of the agencies; (c) expenditure by the United Nations Development Programme (UNDP); (d) expenditures by the United Nations Children's Fund (UNICEF); (e) expenditures by the World Food Programme (WFP); and (f) technical cooperation expenditures by the World Bank/International Development Association (IDA) (World Bank group). A more detailed discussion of the issues in this report is contained in document DP/1996/32/Add.1. It should be noted that the data presented in the present report and its addendum update the information contained in the reports for 1994 (DP/1995/56 and Add.1).

2. It should be noted that the report does not contain a review of total expenditure (technical and non-technical) by the entire United Nations system since it excludes expenditures on activities relating to refugees, humanitarian and special economic assistance, peace-keeping operations and disaster relief. Because of the limitation, the phrase "United Nations system" should be interpreted to mean the executing agencies, the International Atomic Energy

Agency (IAEA), UNDP, the United Nations Population Fund (UNFPA), UNICEF, the World Food Programme (WFP) and the World Bank group. A complete account of expenditure by the entire United Nations system can be found in the annual report of the Secretary-General on development activities. The present report does, however, contain data on total technical expenditure of the entire United Nations system.

II. HIGHLIGHTS

3. The report shows that both components of total assistance - technical and non-technical cooperation - contracted in 1995, the main reason being the shortfall by WFP and the World Bank group. Details are as follows:

Technical and non-technical cooperation expenditures

(a) After a marginal contraction in 1993, non-UNDP-financed technical cooperation expenditures (agencies plus UNFPA) grew briskly in the following year. The expansion weakened considerably in 1995 when such expenditures reached $1,494.3 million;

(b) At $1,173.6 million in 1995, concessional technical cooperation by the World Bank group dropped by 20.6 per cent, reversing the growth record of the previous two years;

(c) Grant technical cooperation (agencies, plus UNFPA plus UNDP) grew throughout the three-year period, 1993-1995, although growth in 1995 was weak, with expenditures amounting to $2,751 million;

(d) In 1995, total technical cooperation (grant plus the World Bank group) amounted to $3,925.3 million, which was 5.8 per cent less than the previous year. This was the first time that total technical cooperation expenditures of the United Nations system contracted since 1989;

(e) Non-technical cooperation expenditures (comprising expenditures by UNICEF and WFP), after a six-year period of fairly rapid growth, performed poorly during the last three years, falling by 6 per cent on the average. In 1995, such expenditures reached $1,901.2 million or 13.4 per cent less than the previous year;

Total assistance

(f) Total grant assistance (grant technical cooperation plus non-technical cooperation) of the United Nations system amounted to $4,652.9 million in 1995. This translates to a shortfall 4.7 per cent and is perhaps a culmination of the weak performance since 1993; the last time total grant assistance contracted was in 1983;

(g) Total assistance (total technical cooperation plus non-technical cooperation) of the United Nations system stood at $5,826.5 million in 1995, a decline of 8.4 per cent over the previous year. While growth rates have been

falling since 1991, the data show that 1995 was perhaps the first time that total assistance by the United Nations system contracted;

Some specifics

(h) Extrabudgetary expenditures, comprising about two thirds of agency expenditures on average, were basically at the same level during the last three years. In 1995, such expenditures stood at $830 million, or some $18 million more than the previous year;

(i) Expenditures from regular budgets, comprising approximately one third of agency expenditures on average, grew throughout the three-year period 1993-1995. In 1995, such expenditures amounted to $433.4 million, which was slightly (1 per cent) higher than in 1994;

(j) Agency expenditures have been dominated historically by the World Health Organization (WHO) and the Food and Agriculture Organization of the United Nations (FAO). In 1995, the expenditures of these two agencies accounted for two thirds of all agency expenditures. As in the past, health, agriculture and population accounted for the overwhelming share of non-UNDP-financed technical cooperation expenditures - as much as 72 per cent during the period 1993-1995. However, the share of the expenditures invested in social and environmental sectors witnessed a sustained decline throughout the same period;

(k) Expenditures by UNFPA, accounting for some 14 per cent of non-UNDP-financed technical cooperation expenditures, grew throughout the 1993-1995 period, and at very rapid rates during the last two years. In 1995, expenditures reached $231 million, representing an increase of 14.7 per cent over the previous year;

(l) At $1,257.4 million in 1995, total UNDP field programme expenditure (central resources plus funds plus administered funds) was only 1 per cent higher than in 1994, representing the smallest increase since 1993. Throughout the 1993-1995 period, most of the growth of total UNDP expenditures was attributable to the growth of funds and trust funds administered;

(m) Field programme expenditures by UNICEF during the last three years remained constant, averaging slightly over $800 million per year. In 1995, such expenditures, amounting to $803.4 million, increased slightly (0.3 per cent) over the previous year;

(n) Total field programme expenditures of WFP, while still over $1 billion, have been contracting since 1993. At $1,097.8 million in 1995, the decline (21.2 per cent) was particularly sharp, compared to the previous two years;

(o) The five-year growth of actual technical cooperation expenditures disbursed (not committed) by the World Bank group came to an end in 1995, as expenditures contracted sharply (20.6 per cent). Expenditures by the World Bank group reached $1,173.6 million in 1995, almost the same as in 1992. The year 1995 is also significant for another reason: it was the first time since 1984 that the technical cooperation of both the World Bank and IDA fell simultaneously;

(p) Total extrabudgetary contributions to agencies during 1995 was $1,093.5 million, representing a 4.7 per cent increase over the previous year, thus continuing the yearly up-down movement that began in 1992. While positive growth in 1995 is remarkable against the backdrop of donor austerity, it is the lowest since at least 1982, with the exception of 1989;

(q) The above-mentioned expansion in 1995 resulted from the growth of both components of total contributions. However, the larger stimulus derived from multilateral sources, contributions from which increased by $43.6 million, or 12 per cent, over 1994. In fact, one noticeable feature of this source is its relatively high average rates of growth since 1986. Part of the growth in 1995 is also attributable to the expansion of contributions from bilateral sources - the "expanding" component here was non-governmental organizations, not bilateral donors.

III. EXECUTIVE BOARD ACTION

4. The Executive Board may wish to take note of the present report.

Table 1. Summary statistics on United Nations system expenditures, 1993-1995

(In millions of United States dollars)

		1993		1994		1995	
		Amount	% a/	Amount	% a/	Amount	% a/
A.	EXPENDITURE						
1.	TECHNICAL COOPERATION						
1.1	AGENCIES: NFTCE	1 288.4	-0.5	1 442.2	11.9	1 494.4	3.6
	Extrabudgetary expenditures	808.4	-3.1	812.0	0.5	830.0	2.2
	Regular budgetary expenditures	345.8	4.2	428.8	24.0	433.4	1.1
	UNFPA	134.2	4.7	201.4	50.1	231.0	14.7
1.2	UNDP	1 204.4	3.4	1 246.3	3.5	1 257.4	0.9
	Central resources	1 031.0	0.4	1 036.5	0.5	1 014.2	-2.2
	Administered funds	173.4	25.4	209.8	21.0	243.2	15.9
1.3	World Bank group b/	1 411.4	22.4	1 477.1	4.7	1 173.6	-20.6
	World Bank	943.1	25.6	902.7	-3.4	708.0	-21.6
	IDA	468.2	14.3	544.4	16.3	465.6	-14.5
1.4	Grant, excluding World Bank group (1.1 + 1.2)	2 492.8	1.3	2 688.5	7.9	2 751.8	2.4
1.5	Total, including World Bank group (1.4 + 1.3)	3 904.2	6.7	4 165.6	7.2	3 925.4	-5.8
2.	NON-TECHNICAL COOPERATION	2 291.4	-1.2	2 194.7	-4.2	1 901.2	-13.4
2.1	UNICEF	803.7	8.1	800.6	-0.4	803.4	0.3
2.2	WFP	1 487.7	-5.5	1 394.1	-6.3	1 097.8	-21.2
3.	TOTAL EXPENDITURE (1 + 2)						
3.1	Grant (1.4 + 2)	4 784.2	0.1	4 883.2	2.1	4 652.9	-4.7
3.2	Total (1.5 + 2)	6 195.6	3.7	6 360.3	3.9	5 826.6	-8.4
B.	CONTRIBUTION TO EXTRABUDGETARY EXPENDITURES						
	Total contributions	1 070.4	10.0	1 044.2	-2.5	1 093.5	4.7
4.	Total bilateral	709.7	6.6	668.5	-5.8	674.3	0.9
4.1	Countries/territories	601.2	8.5	555.5	-7.6	540.0	-2.8
4.2	NGOs	36.3	9.1	40.7	12.1	61.4	51.4
4.3	Unilateral self-supporting	72.2	-7.7	72.3	0.1	80.9	11.9
5.	Total multilateral	360.6	17.2	375.6	4.2	419.2	11.6
5.1	United Nations system	309.0	15.8	314.6	1.8	387.9	23.3
5.2	Non-United Nations system	51.6	25.9	61.0	18.2	31.4	-48.5

a/ % refers to percentage growth over previous year.

b/ Data for 1995 refers to the period January-September.